No. 17-1594

IN THE

Supreme Court of the United States

RETURN MAIL, INC.,
Petitioner,

v.

UNITED STATES POSTAL SERVICE and
UNITED STATES,
Respondents.

On Writ Of Certiorari To
The United States Court of Appeals
For The Federal Circuit

BRIEF FOR THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF NEITHER PARTY

SHELDON H. KLEIN
President
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
1400 Crystal Drive
Suite 600
Arlington, VA 22202
(703) 415-0780

BLAIR A. SILVER
Counsel of Record
BANNER & WITCOFF, LTD.
1100 13th Street, N.W.
Suite 1200
Washington, DC 20005-4051
(202) 824-3000
bsilver@bannerwitcoff.com

DECEMBER 17, 2018

Counsel for Amicus Curiae

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ii

INTEREST OF *AMICUS CURIAE* 1

SUMMARY OF ARGUMENT 2

ARGUMENT 6

I. A FEDERAL GOVERNMENT AGENCY IS NOT A "PERSON" UNDER THE AIA 6

A. The Legislative Backdrop To "Person" Excludes Federal Government Agencies 7

B. Congress Did Not Affirmatively Expand The Statutory Meaning Of "Person" In The AIA 14

II. ALLOWING FEDERAL GOVERNMENT AGENCIES TO INITIATE AIA REVIEWS VIOLATES THE POLICY UNDERLYING THE AIA 16

CONCLUSION 22

TABLE OF AUTHORITIES

Page(s)

Cases

Bowen v. *Massachusetts*,
487 U.S. 879 (1988) 7

Circuit City Stores, Inc. v. *Adams*,
532 U.S. 105 (2001) 14

Davis v. *United States*,
495 U.S. 472 (1990) 16

Electric Storage Battery Co. v. *Shimadzu*,
307 U.S. 5 (1939) 7

Federal Express Corp. v. *USPS*,
151 F.3d 536 (6th Cir. 1998) 13, 20, 21

GlobalMail Ltd. v. *USPS*,
142 F.3d 208 (4th Cir. 1998) 13, 21

Int'l Primate Prot. League v. *Adm'rs of Tulane Educ. Fund*,
500 U.S. 72 (1991) 10

Loeffler v. *Frank*,
486 U.S. 549 (1988) 12

Monell v. *Dep't of Social Services*,
436 U.S. 658 (1978) 8

Motorola, Inc. v. *United States*,
729 F.3d 765 (Fed. Cir. 1984) 22

Oil States Energy Servs., LLC v. *Greene's Energy Grp., LLC*,
138 S. Ct. 1365 (2018) 6

OPM v. *Richmond*,
496 U.S. 414 (1990) 19

Pennsylvania Dept. of Public Welfare v. *Davenport*,
495 U.S. 552 (1990) 14

SAS Inst. Inc. v. *Iancu*,
138 S. Ct. 1348 (2018) 6

Stewart v. *Dutra Constr. Co.*,
543 U.S. 481 (2005) 9

United States v. *Cooper Corp.*,
312 U.S. 600 (1941) 10, 11, 12

United States v. *Fox*,
94 U.S. 315 (1876) 8

United States v. *United Mine Workers of Am.*,
330 U.S. 258 (1947) 2, 3, 9, 10, 11, 16

USPS v. *Flamingo Indus. (USA) Ltd.*,
540 U.S. 736 (2004) 3, 12, 13

Vermont Agency of Natural Res. v. *United States ex rel. Stevens*,
529 U.S. 765 (2000) 2, 3, 10, 11, 13, 16

Wilson v. *Omaha Indian Tribe*,
442 U.S. 653 (1979) 3, 10

Statutes

1 U.S.C. 1 ..... 2, 3, 9, 16

15 U.S.C. 1127 13

25 U.S.C. 194 10

28 U.S.C. 1498(a) 5, 17, 21

35 U.S.C. 102(a) 4, 14, 15

35 U.S.C. 118 14

35 U.S.C. 135(e) 4, 15

35 U.S.C. 200 13

35 U.S.C. 201(a) 13

35 U.S.C. 207(a) 4, 14

35 U.S.C. 283 21

35 U.S.C. 284 21

35 U.S.C. 285 22

35 U.S.C. 287 22

35 U.S.C. 301 20

35 U.S.C. 302 20

35 U.S.C. 303(a) 20

35 U.S.C. 311(a) 3, 6, 14

35 U.S.C. 315(e)(1) 19

35 U.S.C. 315(e)(2) 5, 17

35 U.S.C. 317(b) 4, 15

35 U.S.C. 321(a) 3, 6, 15

35 U.S.C. 325(e)(1) 19

35 U.S.C. 325(e)(2) 5, 17

35 U.S.C. 327(b) 4, 15

39 U.S.C. 401(1) 12, 13

Act of April 10, 1790,
ch. 7, § 1, 1 Stat. 109-112 7

Act of Feb. 25, 1871,
ch. 71, § 2, 16 Stat. 431 8

Act of July 30, 1947,
ch. 388, § 1, 61 Stat. 633 9

Act of June 25, 1948,
ch. 645, § 6, 62 Stat. 859 9

Leahy-Smith America Invents Act (AIA),
Pub. L. No. 112-29, 125 Stat. 284 (2011) .....passim

Other Authorities

2 J. Kent, Commentaries on American Law (12th O. W. Holmes ed. 1873) 9

America Invents Act: Hearing on H.R. 1249 Before the House Comm. On the Judiciary, 112th Cong. 52-53 (2011) (statement of Director David Kappos) 18

H.R. Rep. No. 112-98 (2011) 17

John Ruggles, *Report of the Select Committee Appointed to Take Into Consideration the State and Condition of the Patent Office*, S. Doc. No. 24-338 (1836) 8

Manual of Patent Examining Procedure (9th ed. Oct. 2015) § 2203 20

P.J. Federico, *Commentary on the New Patent Act*, 75 J. Pat. & Trademark Off. Soc'y 161 (1993) 9

Patent Reform Act of 2011, 157 Cong. Rec. S936-02, S952 (daily ed. Feb. 28, 2011) 18

Patent Reform: The Future of American Innovation: Hearing before the Senate Comm. On the Judiciary, 110th Cong. 13 (2007) (statement of Director Jon Dudas) 18

INTEREST OF *AMICUS CURIAE*

The American Intellectual Property Law Association ("AIPLA") is a national bar association of approximately 13,500 members who are primarily lawyers engaged in private and corporate practice, in government service, and in the academic community.[1] AIPLA's members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

AIPLA has no stake in any of the parties to this litigation or in the result of this case.

---

[1] In accordance with Supreme Court Rule 37.6, AIPLA states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than AIPLA and its counsel. Specifically, after reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to the litigation in this matter; (ii) no representative of any party to this litigation participated in the authorship of this brief; and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

AIPLA has no stake in the parties to this litigation or in the result of this case, other than its interest in the correct and consistent interpretation of the laws affecting intellectual property.[2]

SUMMARY OF ARGUMENT

This Court has recognized the "longstanding interpretive presumption" that "'person' does not include the sovereign" when interpreting statutes. *Vermont Agency of Natural Res.* v. *United States ex rel. Stevens*, 529 U.S. 765, 780 (2000); *United States* v. *United Mine Workers of Am.*, 330 U.S. 258, 275 (1947). Congress's interpretation of "person" is codified in the U.S. Code, defining the word "person" in "any Act of Congress" to include "corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals," "unless the context indicates otherwise." 1 U.S.C. 1. This definition does not include federal government agencies.

In 2011, Congress enacted the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011), overhauling the proceedings for reviewing issued patents at the Patent and Trademark Office. The AIA created three separate AIA review proceedings to be heard by the Patent Trial & Appeal Board (Board): *inter partes* review, post-grant review, and covered business method review. By Act of Congress, only a "person" may petition for these proceedings. 35

---

[2] AIPLA has the consent of the parties to file this amicus brief, pursuant to Supreme Court Rule 37.3(a). Petitioner consented by counsel in a December 4, 2018 email sent to AIPLA. Respondent consented by counsel in a December 7, 2018 letter, which was received by email on December 10, 2018.

U.S.C. 311(a) (*inter partes* review), 35 U.S.C. 321(a) (post-grant review); AIA, § 18(a)(1)(B), 125 Stat. 284, 330 (covered business method review).

Contrary to the long-recognized, default meaning of the term "person," the government and the Federal Circuit majority both posit that a "person" who may petition for AIA review proceedings includes federal government agencies. This is incorrect. In case after case, this Court has repeatedly held that "person," absent an "affirmative showing of statutory intent to the contrary," excludes the government and its agencies. *Vermont Agency*, 529 U.S. at 781; *United Mine Workers*, 330 U.S. at 275; see *Wilson* v. *Omaha Indian Tribe*, 442 U.S. 653, 667 (1979). This Court has even held that the Postal Service, the respondent in this case, is not a "person" under the Sherman Act. *USPS* v. *Flamingo Indus. (USA) Ltd.*, 540 U.S. 736, 746 (2004).

Congress did not enact the AIA in a legislative vacuum. For over two-hundred years, dating back to the first Patent Act of 1790, "persons" has referred to individuals (citizens and aliens) and, by virtue of the Dictionary Act, 1 U.S.C. 1, "corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals." P.J. Frederico, one of the drafters of the modern patent statutes and former Examiner-in-Chief of the Patent Office, explicitly quoted the Dictionary Act's definition of "person" to aid in interpreting certain sections of modern patent act. The use of "person" in the patent statutes has remained largely unchanged since 1952.

In tacit recognition of the limited scope of the meaning of "person," Congress knew that it had to explicitly name federal government agencies to allow them to participate in the patent system. Indeed, there is an entire chapter dealing with patent rights for federal government agencies (35 U.S.C. 207(a) (authorizing "[e]ach Federal agency" to "apply for, obtain, and maintain patents") that would be entirely superfluous if federal government agencies were already "persons" entitled to a patent under the other provisions of the patent statutes, such as under 35 U.S.C. 102(a) ("A person shall be entitled to a patent unless").

There is nothing in the AIA to indicate that Congress meant to deviate from the standard meaning of "person." Other sections of the AIA reinforce that presumption, rather than detract from it, and explicitly differentiate between "Federal Government agencies" and "any person," suggesting that the two are different. 35 U.S.C. 317(b), 35 U.S.C. 327(b); see 35 U.S.C. 135(e). Because there is no such affirmative evidence of statutory intent to redefine "person" in the AIA, the default definition of "person" must continue to apply, and, therefore, federal government agencies cannot initiate AIA reviews.

The fact that Congress did not expand the definition of "person" in enacting the AIA review proceedings to include federal government agencies is not only consistent with the statute and legislative backdrop, but also advances one of the AIA's purposes. Congress intended that these AIA review proceedings would function as an alternative to costly litigation between private parties in either the district court or the International Trade Commission by streamlining

patent validity disputes. The cornerstone of this streamlining is the petitioner estoppel that applies when the Board issues its final written decision in these proceedings.

Under the AIA, statutory estoppel bars all "petitioner[s]" from asserting challenges that petitioners "raised or reasonably could have raised" in any actions at the district court or the International Trade Commission. 35 U.S.C. 315(e)(2); 35 U.S.C. 325(e)(2); *see* AIA, § 18(a)(1)(D), 125 Stat. 284, 330 (covered business method review) (similar but omitting "reasonably could have raised"). But the exclusive remedy for unauthorized use or manufacture of a patented invention by the government is in the United States Court of Federal Claims for the recovery of "reasonable and entire compensation." 28 U.S.C. 1498(a). This forum is conspicuously absent from the estoppel provisions. And, as a result, the AIA estoppel provisions will never bar a federal government agency from relitigating invalidity. This was no accident. Congress did not intend AIA review proceedings to be available to federal government agencies in the first place. Instead, these provisions underscore that Congress intended to keep the existing process before the Court of Federal Claims in place as the only mechanism for federal government agencies to challenge the validity of a patent.

It would be manifestly unfair to private litigants to allow the government the benefits of AIA review proceedings but not the corresponding estoppel. The government already enjoys considerable advantages over private litigants in the patent arena flowing from its sovereignty and exclusive forum under Section 1498(a), including immunity from injunctions, trebled

damages, attorney's fees, and damages limitations based on a failure to mark. Allowing the government a further advantage of petitioning for AIA reviews without any estoppel risk, and absent any evidence of Congressional intent to do so, tips the scale too far in the government's favor. This Court should reverse the Federal Circuit's decision.

ARGUMENT

I. A FEDERAL GOVERNMENT AGENCY IS NOT A "PERSON" UNDER THE AIA.

A federal government agency is not a "person" who may petition for AIA review proceedings. As enacted, only a "person" may petition for *inter partes* review, 35 U.S.C. 311(a), and only a "person" may petition for post-grant review, 35 U.S.C. 321(a). Similarly, Section 18(a)(1)(B) of the AIA provides that covered business method review petitions are only available to "a person" who "has been sued for infringement of the patent or has been charged with infringement under that patent." AIA, Pub. L. No. 112-29, § 18(a)(1)(B), 125 Stat. 284, 330 (2011). As this Court acknowledged less than one year ago, the purpose of AIA reviews is to "allow[] *private parties* to challenge previously issued patents claims," *SAS Inst. Inc.* v. *Iancu*, 138 S. Ct. 1348, 1350–51 (2018) (emphasis added); *Oil States Energy Servs., LLC* v. *Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1378 n.5 (2018) ("To be sure, a private party files the petition for review").

In any Act of Congress—including the AIA—the word "person" presumptively does not include the gov-

ernment, by statute and by this Court's repeated holdings. And, as explained below, there is nothing in the AIA, Title 35, or the underlying legislative history that compels a different conclusion. In short, for the purposes of AIA reviews, a federal government agency is simply not a "person."

A. The Legislative Backdrop To "Person" Excludes Federal Government Agencies.

Congress is presumed to "understand[] the state of existing law when it legislates." *Bowen* v. *Massachusetts*, 487 U.S. 879 (1988). When Congress enacted the AIA, the presumption that the term "person" excluded the government was well-settled.

1. Historically, the use of the phrase "person" in the patent statutes dates back to the original Patent Act of 1790. Act of April 10, 1790, ch. 7, § 1, 1 Stat. 109-112. This Court succinctly outlined the statutory history of those "persons" entitled to patent rights in *Electric Storage Battery Co.* v. *Shimadzu*, 307 U.S. 5 (1939). In that case, the Court noted how the patent statutes vacillated between authorizing grants of a patent to "persons" (1790), to citizens (1793), to citizens and aliens with two years of residence (1800), and back to "persons" (1836). 307 U.S at 11. The "persons" language has remained a part of the patent statutes since 1836.

In this context, the "persons" language of the Patent Act of 1790 has been long understood as extending the patent rights both "to aliens" and "to citizens"—in other words, private individuals:

> The first act of Congress on the subject was passed in 1790 . . . . This act extended the same

> privilege to aliens as to citizens. In 1793, it was repealed and another act passed, authorizing patents to citizens of the United States only, to be granted by the Secretary of State, subject to the revision of the Attorney General. In 1800, the privilege to take out patents was extended to aliens who have resided two year[s] in this country, and made oath of their intention of becoming citizens of the United States.

See John Ruggles, *Report of the Select Committee Appointed to Take Into Consideration the State and Condition of the Patent Office*, S. Doc. No. 24-338 (1836) (describing the shifting language from citizens and aliens, to citizens only, and aliens with residence). Indeed, the motivation to reintroduce "persons" into the statute in 1836 was to acknowledge reciprocity with England to allow aliens to secure patent rights without regard to residence. *Ibid.* With that context, the removal and reintroduction of "persons" into the patent statutes over the years has always been in contemplation of which private individuals were "persons" entitled to patents.

In the Dictionary Act of 1871, Congress explicitly defined "person" in any of its Acts to extend to "bodies politic and corporate." Act of Feb. 25, 1871, ch. 71, § 2, 16 Stat. 431. This phrase included municipal corporations, but not the government. *Monell* v. *Dep't of Social Services*, 436 U.S. 658, 688 (1978); see *United States* v. *Fox*, 94 U.S. 315 (1876) ("The term 'person' as here used applies to natural persons and also to artificial persons—bodies politic, deriving their existence and powers from legislation—but cannot be so extended as to include within its meaning the Federal government"); 2 J. Kent, Commentaries on American

Law *278-*279 (12th O. W. Holmes ed. 1873). The word "person" was later revised to omit "bodies politic" and to include "partnerships and corporations." Act of July 30, 1947, ch. 388, § 1, 61 Stat. 633. This was later changed in 1948 (Act of June 25, 1948, ch. 645, § 6, 62 Stat. 859) to its current incarnation: the statutory definition of "persons" includes "corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals," "unless the context indicates otherwise." 1 U.S.C. § 1; see also *Stewart* v. *Dutra Constr. Co.*, 543 U.S. 481, 489–90 (2005) (1 U.S.C. 1 *et seq.* contains the default definitions that apply if Congress fails to define a particular term).

When Congress enacted the modern Patent Act in 1952, the operative definition of "persons" was this definition in the Dictionary Act, which included individuals and other private entities. This reliance on the Dictionary Act was even noted by one of the 1952 Act's drafters, P.J. Frederico. Specifically, the Dictionary Act's definitions "may have application in considering particular sections of this title" and the Dictionary Act's definition of "person" was explicitly referenced as an "aid in interpreting certain sections of this title." P.J. Federico, *Commentary on the New Patent Act*, 75 J. Pat. & Trademark Off. Soc'y 161, 175 (1993) (reprinted from Title 35, United States Code Annotated (1954 West Publishing Co. ed.)).

2. This Court repeatedly has interpreted this same definition of "person" under the Dictionary Act as excluding a sovereign. *United States* v. *United Mine Workers of Am.*, 330 U.S. 258, 275 (1947) (citing the Dictionary Act and noting that "[i]n common usage," person "does not include the sovereign, and statutes

employing it will ordinarily not be construed to do so"). Subsequently, this Court confirmed the "longstanding interpretive presumption that 'person' does not include the sovereign." *Vermont Agency of Natural Res.* v. *United States ex rel. Stevens*, 529 U.S. 765, 780 (2000). Reading "'person' to mean the sovereign" is "decidedly awkward," and this Court has been "reluctant" to do so. *Int'l Primate Prot. League* v. *Adm'rs of Tulane Educ. Fund*, 500 U.S. 72, 83 (1991).

In *Wilson* v. *Omaha Indian Tribe*, 442 U.S. 653, 666–67 (1979), the Court was asked to determine whether the term "white persons" in 25 U.S.C. 194 did not include the state of Iowa. The Court first noted: "[I]n common usage, the term 'person' does not include the sovereign, [and] statutes employing the phrase are ordinarily construed to exclude it." *Id.* at 667 (quoting *United States* v. *Cooper Corp.*, 312 U.S. 600, 604 (1941) and citing *United Mine Workers*, 330 U.S. at 275) (brackets in original). The Court then elaborated that "much depends on the context, the subject matter, legislative history, and executive interpretation." *Ibid.* Even though the legislative history and executive interpretation were unhelpful, the Court found the "purpose of the provision—that of preventing and providing remedies against non-Indian squatters on Indian lands"—helpful in resolving this issue. *Ibid.* Because that purpose suggests that Congress did not intend "person" to include States, the Court held that the ordinary usage controlled. *Id.* at 667–68.

More recently, in *Vermont Agency*, the Court considered whether a state agency, the Vermont Agency of Natural Resources, was a "person" in a *qui tam* action under the False Claims Act. 529 U.S. at 768–70.

The False Claims Act specifically imposed "civil liability upon 'any person.'" *Id.* at 770. The Court held that the state is not a person based on its "longstanding interpretative presumption that 'person' does not include the sovereign." *Id.* at 780 (citing *Cooper Corp.*, 312 U.S. at 604 and *United Mine Workers*, 330 U.S. at 275). The Court found no such affirmative showing in the False Claims Act to overcome this presumption. *Id.* at 780–88. Instead, the Court noted that the statutory scheme suggested otherwise.

In particular, the Court noted that another section of the False Claims Act expressly defined "person" to include States, implying that the absence of such a definition in the section in question indicated that States should not be included in that section. 529 U.S. at 783–84. In addition, the fact that the False Claims Act provided for punitive damages also ran counter to an interpretation that "person" included States because of the "presumption against imposition of punitive damages on government entities." *Id.* at 784–86. A sister scheme called the Program Fraud Civil Remedies Act of 1986 provided for administrative remedies for false claims and, unlike the False Claims Act, included a definition of "person," which did not include States. *Id.* at 786. The PFCRA also did not provide for treble damages. *Ibid.* The Court thought it incongruent for States to be subject to treble damages under the False Claims Act, but then exempt from the smaller remedies available under the PFCRA. *Ibid.* Accordingly, the Court held the presumption that a sovereign is not a "person" under the False Claims Act still applied. *Id.* at 787.

This is also consistent with this Court's more recent unanimous holding in *USPS* v. *Flamingo Industries (USA) Ltd.*, that the Postal Service is not a "person" for the purposes of the antitrust laws. 540 U.S. 736, 746 (2004). The Sherman Act imposed liability on "any person," which it defined as "corporations and associations existing under or authorized by the laws of either the United States [or of States or foreign governments]." *Id.* at 744–45 (brackets in original); 15 U.S.C. 7. The Court noted that corporate or governmental status, under this definition, did not preclude liability under the Sherman Act, but then noted that "it is otherwise, however, when liability is pursued against the Federal Government." 540 U.S. at 744–45 (citing *Cooper Corp.*, 312 U. S. at 614). Applying *Cooper*, the Court held that the Postal Service, as an "establishment of the executive branch" and not a "corporation," is not a person for the purposes of the antitrust laws, even if "independent." *Id.* at 745–47 (distinguishing the Postal Service from private businesses).

As the government correctly notes, USPS does "differ[] in many respects from other federal agencies" in that "[w]hen Congress created the Postal Service in 1970, it empowered the Service 'to sue and be sued in its official name.'" Br. in Opp. 14 (quoting *Loeffler* v. *Frank*, 486 U.S. 549, 555–56 (1988)); 39 U.S.C. 401(1). But, as in *Flamingo Industries*, that difference does not justify departing from the clear rules of statutory construction that exclude the government and its agencies from "persons."

Instead, the two circuit cases cited by the government (Br. in Opp. 14) are anomalies dealing exclusively with the Lanham Act. *Federal Express Corp.* v.

USPS, 151 F.3d 536, 546 (6th Cir. 1998) (the Postal Service is a "person" within the meaning of the Lanham Act); *GlobalMail Ltd.* v. *USPS*, 142 F.3d 208, 216 (4th Cir. 1998) (same). But, notably, both of those cases also predate this Court's decision in *Vermont Agency*, 529 U.S. 765, and *Flamingo Industries*, 540 U.S. 736.

Furthermore, *Federal Express* and *GlobalMail* both turned on the Lanham Act's specific, statutory definition of a "person," which is not present in the AIA or the patent statutes. The Lanham Act departed from the Dictionary Act's definition of "person" and included "other organization[s] capable of suing or being sued in a court of law." 15 U.S.C. 1127. Both circuits found it dispositive that Congress mandated that a "general power[]" of USPS was the authority to "sue or be sued in its official name." 39 U.S.C. 401(1); *Federal Express Corp*, 151 F.3d at 539–40, 544–46; *Global Mail*, 142 F.3d. at 216–17.

3. The history of the patent statutes establishes that Congress knew how to explicitly include federal government agencies when discussing patents rights. There is an entire chapter dealing with the patents rights for federal government agencies, designed "to ensure that the Government obtains sufficient rights in federally supported inventions." 35 U.S.C. 200. That chapter explicitly defines "Federal agency" to mean "any executive agency as defined in section 105 of title 5, and the military departments as defined by section 102 of title 5." 35 U.S.C. 201(a).

That chapter then authorizes "each Federal agency" to "apply for, obtain, and maintain patents," to "grant licenses under federally owned inventions,"

to "undertake all other suitable and necessary steps to protect and administer rights to federally owned inventions on behalf of the Federal Government either directly or through contract," and to "transfer custody and administration, in whole or in part, to another Federal agency, of the right, title, or interest in any federally owned invention." 35 U.S.C. 207(a) (emphasis added). Presumably, there would have been no need for this provision had federal government agencies already been entitled to the same rights as granted to a "person" under then-existing Section 102(a) when Section 207(a) was enacted in 1980. 35 U.S.C. 102(a) ("A person shall be entitled to a patent unless"); accord 35 U.S.C. 118 (A "person" may file on behalf of an invention by another).

The government's reading should be rejected because Section 207(a) would be superfluous if federal government agencies were already authorized to apply for, obtain, and maintain patents under Section 102(a) and the other provisions of the patent statutes. Such a reading runs counter to this Court's "deep reluctance to interpret a statutory provision so as to render superfluous other provisions in the same enactment." *Pennsylvania Dept. of Public Welfare* v. *Davenport*, 495 U.S. 552, 562 (1990); see *Circuit City Stores, Inc.* v. *Adams*, 532 U.S. 105, 113 (2001).

B. Congress Did Not Affirmatively Expand The Statutory Meaning Of "Person" In The AIA.

The AIA also does not define the term "person." Only "a person" may petition for *inter partes* review, 35 U.S.C. 311(a), and only a "person" may petition for

post-grant review, 35 U.S.C. 321(a). Similarly, as enacted, Section 18(a)(1)(B) of the AIA provides that covered business method review petitions are only available to "a person" who "has been sued for infringement of the patent or has been charged with infringement under that patent." AIA, § 18(a)(1)(B), 125 Stat. 330. No other context in the statute warrants deviating from a standard meaning of "person" that differed from the use prior to the AIA's enactment.

Instead, the AIA text and structure continues to recognize the difference between a "person" and federal government agencies, just as it did prior to the enactment of the AIA. Specifically, the release of settlement agreements in AIA proceedings "[s]hall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause." 35 U.S.C. 317(b), 327(b); see 35 U.S.C. 135(e) (similar in the context of a derivation proceeding, but omitting the word "Federal"). The AIA statutory provisions specific to AIA review proceedings thus explicitly delineate between federal government agencies and persons just as it had before the AIA in Section 207(a). And while the government argues that this is just a recognition of the lesser threshold for the federal government agency (Br. in Opp. 11–12), such a reading requires modifying the statute either by adding "other" ("any other person") or rewriting the statutory sentence entirely.

Importantly, Congress did not amend the use of the term "person" when it amended Section 102(a) in the AIA. 35 U.S.C. 102(a) ("A person shall be entitled to a patent unless"). "Congress' reenactment of the statute . . . using the same language, indicates its apparent satisfaction with the prevailing interpretation of

the statute." See *Davis* v. *United States*, 495 U.S. 472, 482 (1990). The more reasoned reading of the statute is that Congress merely maintained the traditional interpretation of "person" by choosing to reuse "person" without modification.

"The absence of any comparable provision extending the term to sovereign governments implies that Congress did not desire the term to extend to them." *United Mine Workers*, 330 U.S. at 275. In terms of the AIA review proceedings, there is neither a "comparable provision" extending the term "person" to the "sovereign government" nor an "affirmative showing of statutory intent" to "broade[n]" the term. *United Mine Workers*, 330 U.S. at 275; *Vermont Agency*, 529 U.S. at 780–82. This implies that Congress "did not desire the term to extend" to federal government agencies. *United Mine Workers*, 330 U.S. at 275. Thus, a "person" in the context of its usage for AIA review proceedings must be construed in accordance with its ordinary, statutory meaning excluding federal government agencies as prescribed by 1 U.S.C. § 1 and this Court's precedent.

II. Allowing Federal Government Agencies To Initiate AIA Reviews Violates The Policy Underlying The AIA.

Under the AIA, statutory estoppel bars all "petitioner[s]" from asserting invalidity challenges that petitioners "raised or reasonably could have raised" in an AIA review proceeding in any actions in the district court ("a civil action arising in whole or in part under section 1338 of title 28, United States Code") or the International Trade Commission ("under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337)"). 35

U.S.C. 315(e)(2) (*inter partes* review), 325(e)(2) (post-grant review); *see* AIA, § 18(a)(1)(D), 125 Stat. 284, 330 (covered business method review) (similar but omitting "reasonably could have raised"). But a patent owner's exclusive remedy for unauthorized use or manufacture by the government is an action in the United States Court of Federal Claims for the recovery of its "reasonable and entire compensation." 28 U.S.C. 1498(a). Thus, these estoppel provisions cannot apply to a federal government agency. It was no accident that the estoppel provisions omit the United States Court of Federal Claims: Congress did not intend AIA review proceedings to be available to federal government agencies in the first place.

Instead, the legislative history of these provisions from the AIA underscores that Congress intended to prevent the same party from asserting the same invalidity challenges against a patent twice. AIA reviews were designed to "improve patent quality and restore confidence in the presumption of validity that comes with issued patents." H.R. Rep. No. 112-98, at 39–40, 48, 58 (2011).

The AIA's estoppel provision was key to this goal because it prevented petitioners from "later asserting invalidity before the ITC or a Federal court on a ground that was considered and resulted in a written decision." H.R. Rep. No. 112-98, at 80. The estoppel is designed to "quiet title" for patent owners "to ensure continued investment resources" and to avoid "repeated litigation and administrative attacks on the validity of a patent." *Id.* at 48. Allowing repeated attacks on validity "would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation." *Ibid.*

Indeed, the AIA estoppel provisions sought to "significantly reduce the ability to use post-grant procedures for abusive serial challenges to patents," and "[t]hese new procedures would also provide faster, less costly alternatives to civil litigation to challenge patents." *Patent Reform Act of 2011*, 157 Cong. Rec. S936-02, S952 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley). The estoppel was specifically designed to be strong so that "any issue that [petitioners] raised or could have raised . . . . [petitioners] can bring up no place else" as "a complete alternative to litigation." *Patent Reform: The Future of American Innovation: Hearing before the Senate Comm. On the Judiciary*, 110th Cong. 13 (2007) (statement of Director Jon Dudas). Director David Kappos noted that the estoppel provisions are designed to confer a "significant advantage" because it leaves the patent "largely unchallengeable by the same party." *America Invents Act: Hearing on H.R. 1249 Before the House Comm. On the Judiciary*, 112th Cong. 52-53 (2011) (statement of Director David Kappos). Senator Grassley characterized the purpose as "ensur[ing] that if an inter partes review is instituted while litigation is pending, that review will completely substitute for at least the patents-and-printed-publications portion of the civil litigation." *Patent Reform Act of 2011*, 157 Cong. Rec. S1360-94, S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Grassley).

Despite this strong evidence of Congressional intent, and without citing to any statutory or legislative history support, the government seeks to enable federal government agencies to avoid the very cornerstone of AIA reviews and permit these agencies to mount multiple attacks on patent validity before the

Patent Office and the United States Court of Federal Claims in a Section 1498(a) proceeding.

In support of its position, the government argues that federal government agencies can participate in AIA reviews without estoppel because *equitable* estoppel ordinarily does not apply to federal government agencies, citing *OPM* v. *Richmond*, 496 U.S. 414, 419 (1990). But this is not a case of *equitable* estoppel (a judicial doctrine) in light of statements from Executive agents "contrary to the wishes of Congress" as in *Richmond*, 496 U.S. at 415. Instead, this is statutory estoppel directly enacted by and reflecting the exact wishes of Congress. Thus, *Richmond* is inapplicable.

More importantly, even assuming *arguendo* that this presumption of no equitable estoppel is applicable to statutory estoppel, the government's position is untenable. Under the AIA, estoppel attaches to more than the district court and International Trade Commission proceedings. There is also an estoppel that attaches to petitions in pending and future proceedings before the Patent Office after the conclusion of *inter partes* and post-grant reviews.[3] Specifically, these two proceedings both contain an additional estoppel provision that bars the petitioner from "request[ing] or maintain[ing] a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during" the review. 35 U.S.C. 315(e)(1), 325(e)(1).

---

[3] There is no Patent Office estoppel in covered business method reviews. AIA, § 18(a)(1)(D), 125 Stat. 284, 330

Applying the government's view, there is an estoppel against the government, but only before the Patent Office. Thus, even if the government is correct that, under *Richmond*, a statute should presumptively not be read to apply estoppel to the government, the AIA cannot be read to authorize a federal government agency to petition for AIA reviews because, to hold otherwise, would be to recognize just such an estoppel.[4]

The Sixth Circuit in *Federal Express* noted the "penchant of some federal government agencies and officers to proactively seek the benefits and protections afforded by the law while simultaneously endeavoring to avoid the responsibilities and burdens imposed by legal restraints and standards of conduct which constrain others." *Federal Express*, 151 F.3d at 546 (Under the Lanham Act, the Postal Service has "elevated the shield of governmental privilege when accused of competitive wrongdoing," yet "been quick to behave as a Lanham Act 'person' in protection of its perceived rights under that enactment"); see *Global*

---

[4] Interpreting "person" in the AIA to exclude federal government agencies will potentially impact the ability of those agencies to request *ex parte* reexamination under 35 U.S.C. 302 or to cite prior art or prior Patent Owner statements in written submissions under 35 U.S.C. 301; *see* Manual of Pat. Exam. Proc. § 2203 (9th ed. Oct. 2015) ("Any person" may be a corporate or governmental entity as well as an individual" under Section 301). But the government can raise invalidity as a defense in the U.S. Court of Federal Claims in a Section 1498(a) proceeding. And the government (via the Director) can always initiate *ex parte* reexamination proceedings "on his own initiative," if the government believes an issued patent is invalid, even one that is being asserted against the government. See 35 U.S.C. 303(a).

Mail, 142 F.3d at 215 ("USPS has utilized the Lanham Act to register its marks and to ensure that other firms do not infringe upon them").

Yet, once again, the Postal Service as a federal government agency is seeking to secure the benefits of a supposed Congressional authorization (participation in AIA reviews) with none of the downsides (estoppel). As the Sixth Circuit held in *Federal Express*, "[r]udimentary notions of justice and fair play reinforce the conclusion, already amply supported by the plain language of the operative statutes, legislative history, and judicial interpretations, that Congress did not intend" for the Postal Service to be considered a person and "also to immunize [the Postal Service]" from liability. 151 F.3d at 546 (quoting *Global Mail*, 142 F.3d at 215). Similar notions of justice and fair play are present here: Congress did not intend for the Postal Service to be a petitioner in AIA reviews yet immunize the Postal Service from the consequence of participating in those proceedings, i.e., estoppel.

At present, the government already enjoys considerable advantages over private litigants in the patent arena flowing from its sovereignty due to specific Congressional authorization. A patentee's only remedy against the government for unauthorized use of a patented invention is in the United States Court of Federal Claims under Section 1498(a). Unlike a district court action, the patent owner's in Section 1498(a) proceedings are limited to "reasonable and entire compensation." 28 U.S.C. 1498(a). There are "numerous examples of where the patent statutes" are inapplicable to the government in Section 1498(a) actions, such as injunctive relief (35 U.S.C. 283), treble damages (35 U.S.C. 284), exceptional case attorney's

fees (35 U.S.C. 285), and damages limitations based on a failure to mark (35 U.S.C. 287). *Motorola, Inc.* v. *United States*, 729 F.3d 765, 768 n.3, 772 (Fed. Cir. 1984).

Allowing the Postal Service the advantage of petitioning for AIA review without the concomitant estoppel and without any supporting Congressional intent or authorization, tips the scale too far in the government's favor without reason and violates the entire purpose behind the AIA reviews—a result that should not be countenanced.

CONCLUSION

Without an affirmative showing of statutory intent otherwise, the longstanding presumption—codified in the Dictionary Act, the history of the patent statutes, and in this Court's precedent—that "person" does not include federal government agencies like the Postal Service must stand. As a consequence, the Court should reverse the Federal Circuit's judgment below and find that the Postal Service is not a "person" for the purposes of filing a petition for AIA review.

Respectfully submitted.

BLAIR A. SILVER
Counsel of Record
BANNER & WITCOFF, LTD.
1100 13th Street, N.W.
Suite 1200
Washington, DC 20005-4051
(202) 824-3000
bsilver@bannerwitcoff.com

Counsel for Amicus Curiae

DECEMBER 17, 2018